



VIG – A Top Insurance Player in CEE

UniCredit Annual Emerging Europe Conference – Istanbul,
4 - 5 September 2008

A Investment proposition

B Growth potential in CEE and Austria

C Exploiting the potential

D Acquisition of Erste Bank insurance operations

E Progressing on the path of growth

F 6M 2008 Results - Highlights

Investment Proposition at a Glance

VIG set two strategic milestones

Milestone 1

§ VIG is pioneer in CEE; start of expansion in 1990

- “Big fish in a small pond”
- Going east immediately after the fall of the iron curtain due to potential of emerging markets and proximity

Story

§ VIG - Progressing on the path of growth

- Successful track record in exploiting growth potentials
- Continuous expansion of its business areas and geographic regions

Milestone 2

§ VIG – Right time for life

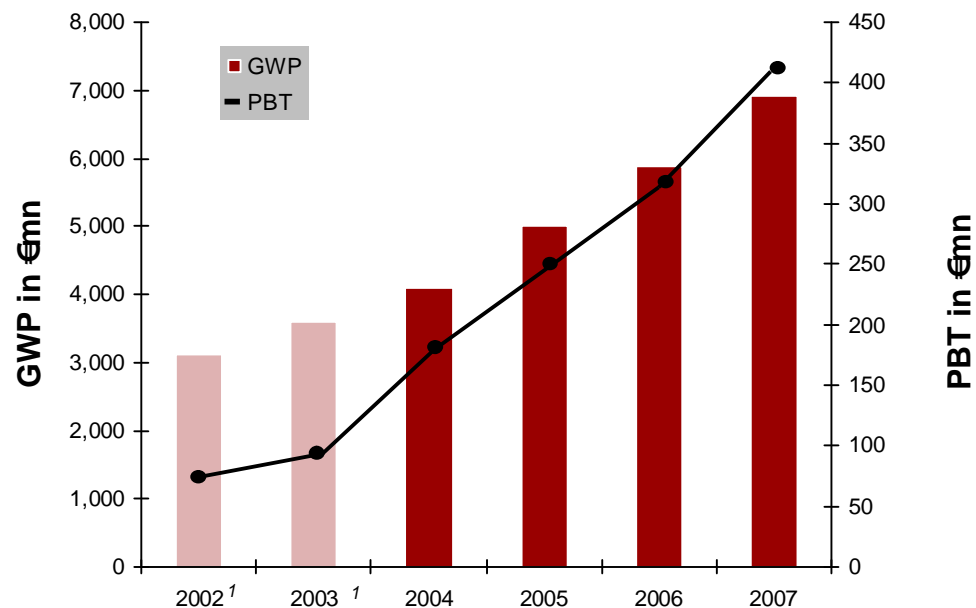
- Acquisition of Erste Bank insurance operations / long term distribution agreement
- VIG strengthens the No. 1 position in Central and Eastern Europe (CEE)¹

¹ CEE is defined as: Bulgaria, Croatia, Czech Republic, Hungary, Poland, Romania, Slovakia; interim data for Serbia n.a.

VIG Growth Strategy Delivers

Growth materialises in strong increase in profitability

VIG's Path of Profitability



Profit before Tax YE 2007: €437mn

1: Figures for 2002 and 2003 according to Austrian Commercial Code, thereafter IFRS

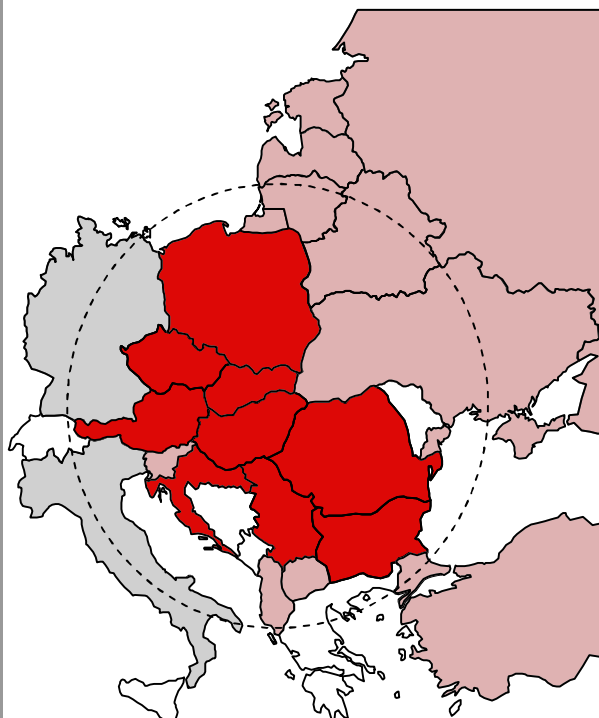
Extensive Track Record

- § VIG is early mover into CEE
- § Entry into new markets at the right point of time when relevant insurance business lines are to take off
- § Clear focus on retail clients
- § Business focus tracking customer demand – now life insurance starting through
- § Steady expansion - 19 acquisitions in 14 countries executed since 2004
- § VIG preparing for take off in life business

Purest CEE Insurance Play

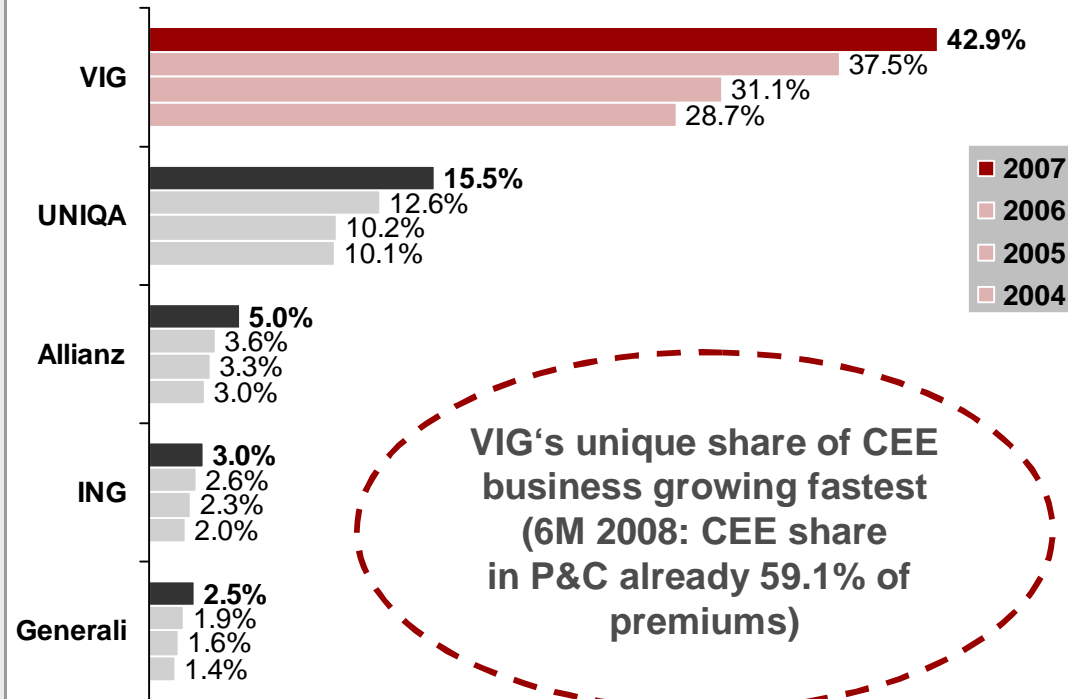
VIG is the only international insurer with 43% of business from CEE

Footprint



● Core Markets

CEE Premiums as % of Total Group Premiums



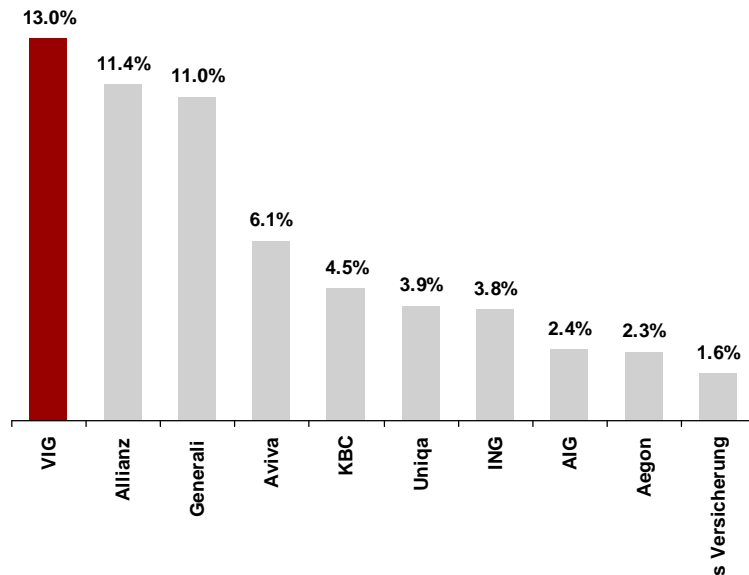
VIG's unique share of CEE business growing fastest (6M 2008: CEE share in P&C already 59.1% of premiums)

Source: publicly available information; excluding Erste Bank insurance operations

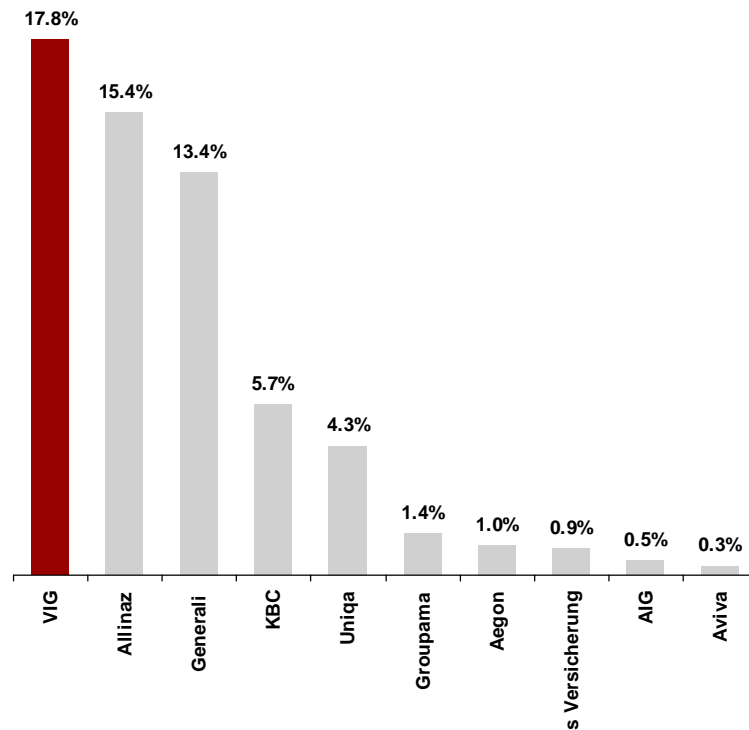
Proven Record of Exploiting Potentials

Clear leadership in non-life insurance already attained

Total Market Share in CEE¹



Market Share in CEE¹ Non-life



Source: National insurance associations of the respective countries as of 3M 2008

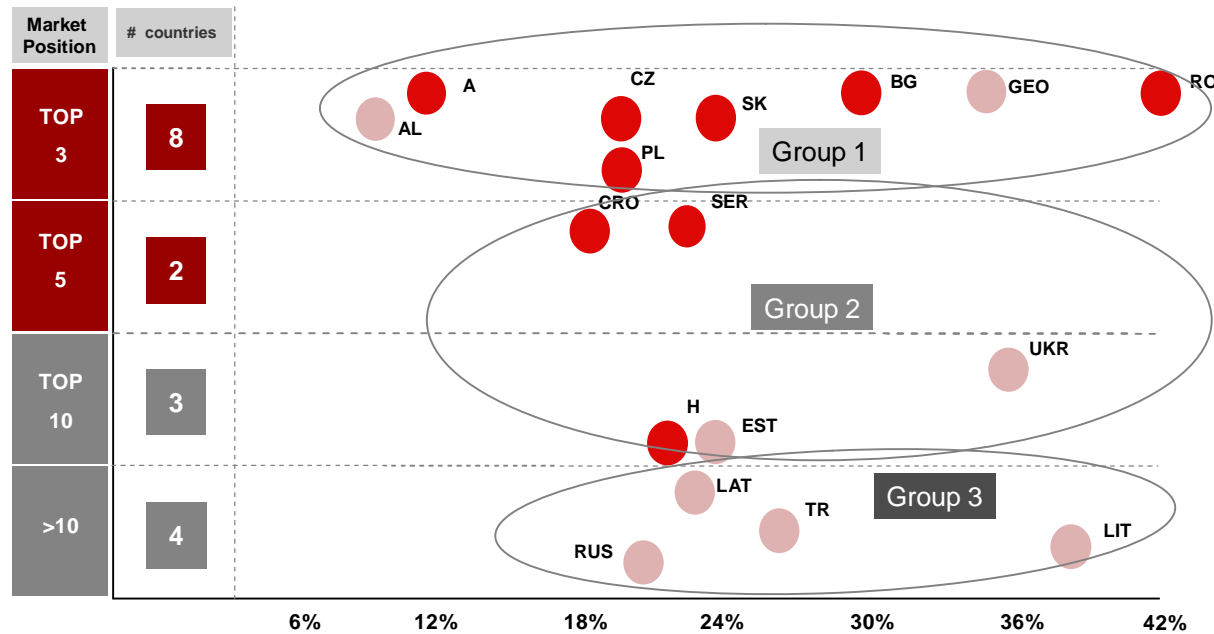
¹ CEE is defined as: Bulgaria, Croatia, Czech Republic, Hungary, Poland, Romania and Slovakia; interim data for Serbia n.a.

Note: All market shares in this presentation are based on industry statistics and define the markets from a production perspective. Please note that this perspective does not necessarily coincide with market definitions used for marketing research purposes, e.g. studies on customer demand, or merger control purposes.

VIG Has Excellent CEE Market Positions

Top positioning combined with potential in less advanced markets

VIG Is Well Positioned in its Markets



Group 1 ¹
Pop: 94.5 mn
GDP/Cap.: \$ 13,248 ²
Density: \$ 531 ³
Group 2
Pop: 69.6 mn
GDP/Cap.: \$ 5,445 ²
Density: \$ 163 ³
Group 3
Pop: 223.1 mn
GDP/Cap.: \$ 8,032 ²
Density: \$ 177 ³

Source: Swiss RE 03/2008, company data 3M 2008, VVO

- 1: Excluding Georgia due to lack of data
- 2: Weighted average GDP/Cap. of the group
- 3: Weighted average density of the group

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B Growth potential in CEE and Austria

C Exploiting the potential

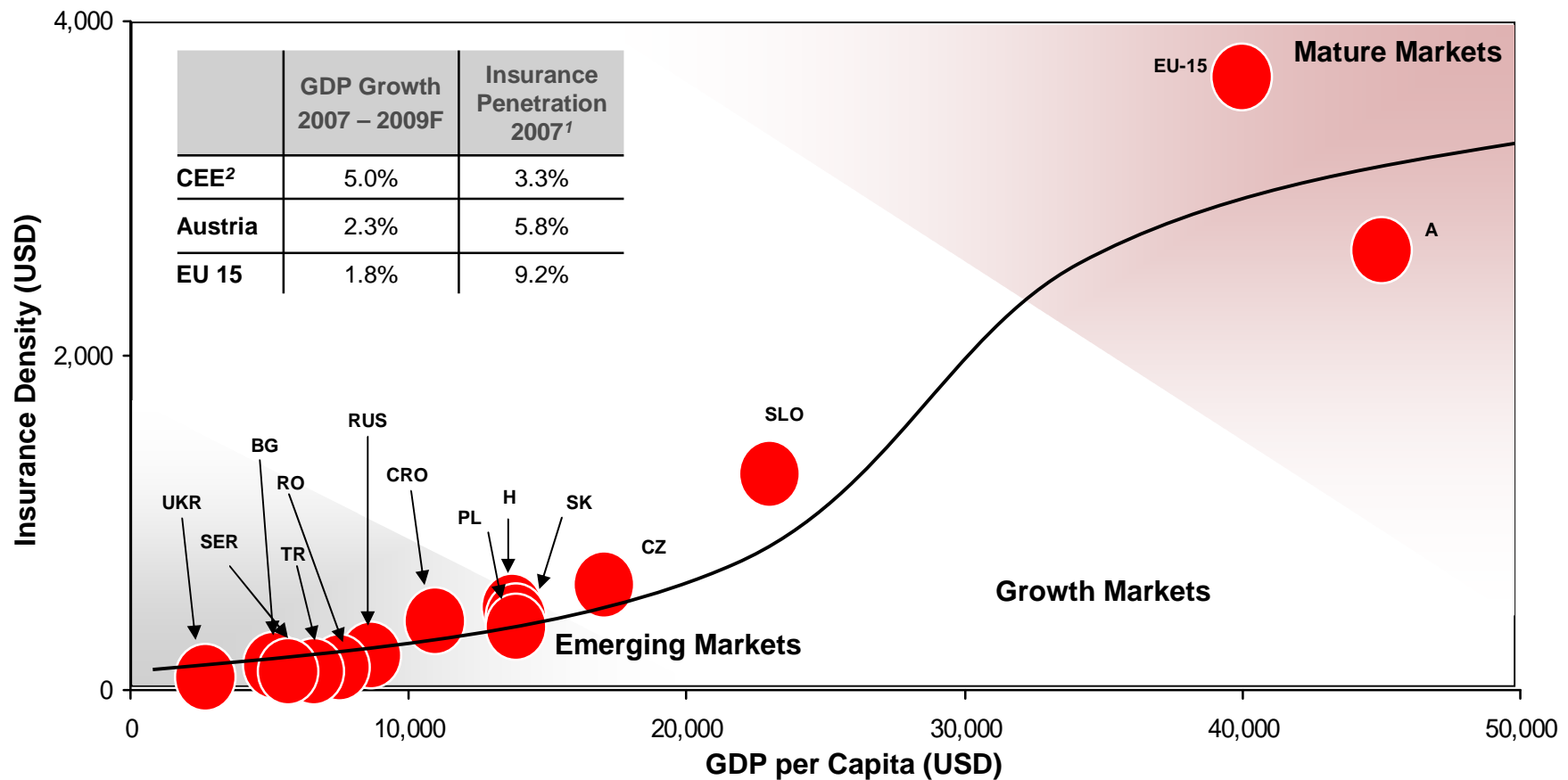
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CEE Region Offers Multiple Growth (I)

Insurance density growing above GDP increase



¹ Premiums in % of GDP.

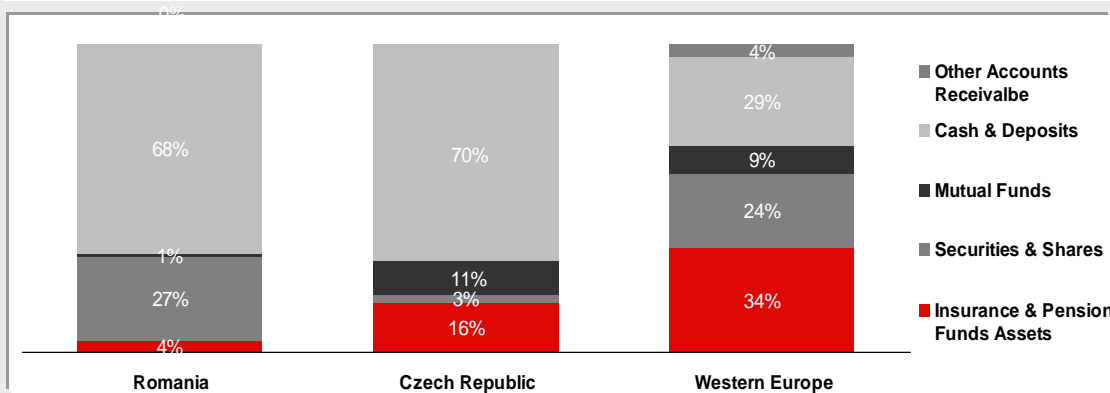
² Weighted average for CEE. CEE is defined as Bulgaria, Croatia, Czech Republic, Hungary, Poland, Romania, Serbia, Slovakia, Slovenia and Ukraine.

Source: For GDP Growth IMF (World Economic Outlook as of 2008). For all other data Swiss Re Sigma Nr. 3/2008 (June 2008)

CEE Region Offers Multiple Growth (II)

GDP, insurance penetration, wealth composition are growth drivers

Shift in Households' Financial Wealth Composition



Comments

- § With increasing wealth household asset allocation in CEE is to change in favour of insurance products
- § VIG is well positioned to capture this growth through the long term agreement with Erste Bank

Source: UniCredit CEE Households' Wealth and Debt Monitor (November 2007) based on 2006 data

Austrian Insurance Market

Year	Market Volume (EUR bn)	Penetration (%)	Density (EUR)	GDP/Capita (EUR)
1967	0.59	2.8%	79	2,813
1978	2.41	3.8%	318	8,329
1982	3.44	4.1%	454	11,140
2000	11.68	5.7%	1,440	25,486

Annotations: Market Volume growth from 1978 to 2000 is x 1.5; GDP/Capita growth from 1978 to 2000 is x 3.2.

Source: VVO, Erste Bank, SwissRe Sigma 03/2008

CEE Insurance Markets in 2007

Country	Penetration (%)	Density (EUR)	GDP/Capita (EUR)
Ukraine	2.7%	55	1,990
Serbia	1.8%	76	4,141
Turkey	1.7%	81	6,391
Romania	1.8%	99	5,674
Bulgaria	2.7%	102	3,802
Croatia	3.3%	268	8,150
Poland	3.7%	301	8,088
Slovakia	3.1%	317	10,153
Hungary	3.5%	358	10,008
Czech Rep.	3.7%	461	12,562

The Austrian Case

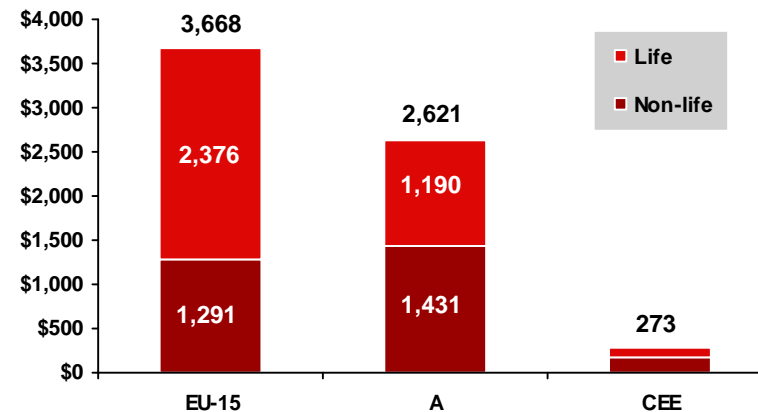
VIG capitalises on catch-up potential in life insurance

Situation in Austria

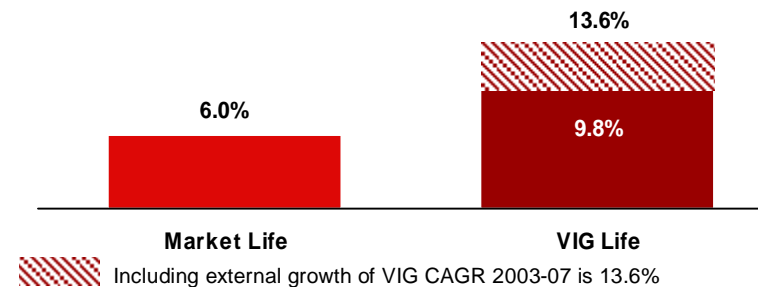
- § Austria is a largely mature market
- § Still strong growth potential in life: Austria lags behind EU-15 in premium per capita
- § Life insurance business in Austria is expected to deliver sustainable growth going forward
- § Ongoing reforms of social security system to generate strong demand for life savings and pension products
- § VIG has been growing faster than the market

High Growth Potential

Life insurance density is low in Austria



VIG capitalises on life insurance Growth (CAGR 2003-07)



Source: SwissRe Sigma Nr. 03/2008, VVO 2007

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Management Approach

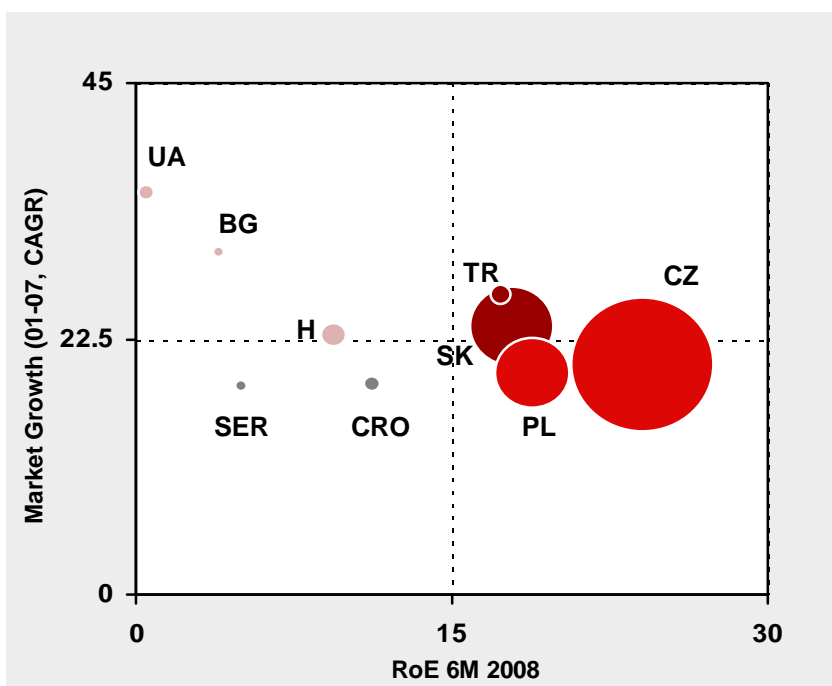
Excellent track record in integrating CEE subsidiaries into VIG

Management Approach

- § Each board member of VIG parent has direct responsibility for CEE countries
- § VIG board members closely involved in management of subsidiaries to build know-how and for quick decisions
- § Local incumbent management is responsible for sales and profitability - usually one board member delegated from Austria
- § Capital
 - available capital concentrated at parent level
 - allocation to Group companies according to their needs to fund organic growth

Track Record

- § CEE already contributes 43 percent of premium income and more than 30 percent of Group profits



Source: SwissRE Sigma 03/2008, 6M 2008 company data

VIG – Distribution Is Key in Insurance

Multi-brand & multi-channel provide best customer access

Multi-brand



Multi-channel

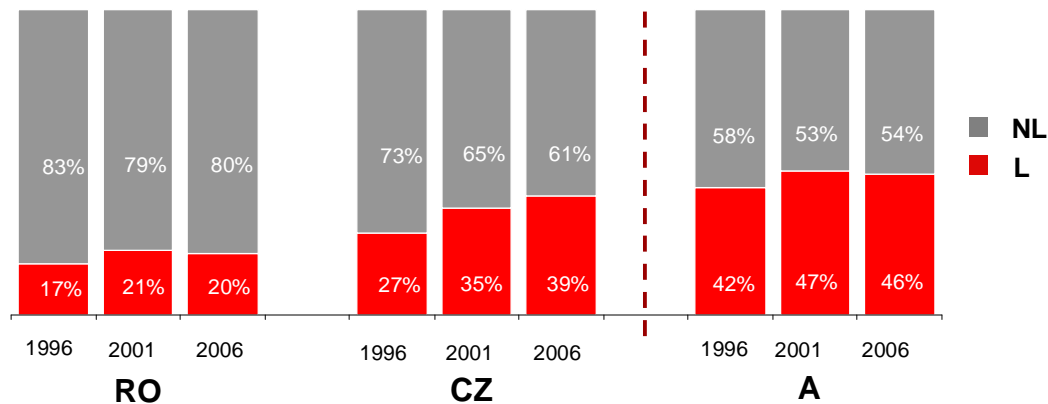
Life distribution channels	Tied agents	Banks	Brokers	Other
Austria	☺	☹	☺	☺
Czech Republic	☺	○	☺	☺
Slovakia	☺	○	☺	☺
Romania	☺	○	☺	☺
Croatia	☺	○	☺	☺
Hungary	☺	○	☺	☺
Serbia	☺	○	☺	☺
Ukraine	☺	○	☺	☺

Multi-brand & multi-channel differentiate VIG from most of its competitors

Now is the Time for Life Business

Banking distribution is key for harvesting CEE life potential

CEE Insurance Markets¹

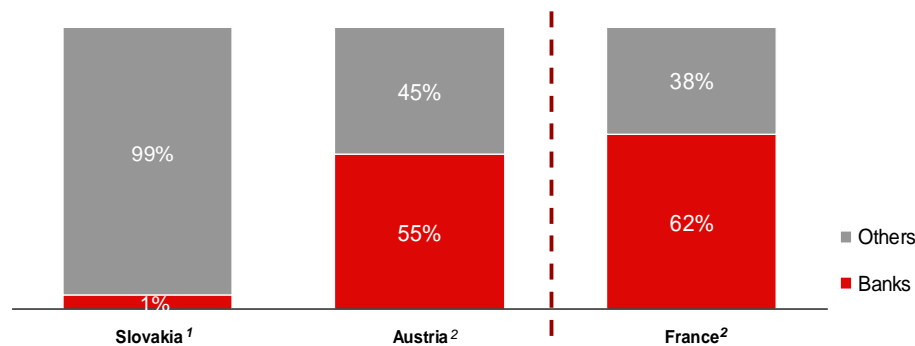


Comments

- § Life gaining importance in mature markets
- § In EU-15 about 2/3 of insurance market is life business

¹ Source: Swiss RE Sigma 04/1998; 06/2002; 04/2007

Distribution of Life Products



Comments

- § In Western Europe the major part of life products is distributed via bancassurance

¹: CEA Statistics N 29, 2: Oliver Wyman 03/2008

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Acquisition of s Versicherung

Long-term CEE cooperation agreement

D 17

Acquisition Highlights



Rationale

- § VIG strengthens the No. 1 position in Central and Eastern Europe (CEE)¹
- § VIG successfully diversifies its distribution channels in core markets
- § Erste Bank's distribution system is a perfect fit for VIG
- § Right time to boost life insurance business

Recent Steps

- § EU Commission already approved acquisition of Erste Bank insurance operations; only two local approvals still awaited
- § Closing of transaction expected for September 2008
- § Local mutual distribution agreements just before conclusion

¹ CEE is defined as: Bulgaria, Croatia, Czech Republic, Hungary, Poland, Romania, Slovakia; interim data for Serbia n.a.

Potential of 16mn Erste Bank Clients

Bancassurance agreement offering outstanding access to clients

Acquisition of Insurance Operations

s Versicherung Group			
Austria		GWP	
		Market #	
		Life	€791.7m
		Non-Life	€16.9m
			2
Czech Republic		GWP	
		Rank #	
		Life	€231.0m
		Non-Life	€1.9m
			4
Slovakia		GWP	
		Rank #	
		Life	€24.8m
			8
Hungary		GWP	
		Rank #	
		Life	€36.0m
			13
Croatia		GWP	
		Rank #	
		Life	€8.9m
			11
BCR Asigurari Companies			
Romania		GWP	
		Rank #	
		Non-life	€155.2m
			3
		GWP	
		Rank #	
		Life	€23.0m
			7

Total premiums of €1,289mn in 2007

Mutual Distribution Agreement

- § Preferred partnership for sale of life, non-life and health products – building on existing P&C cooperation
- § Long-term agreement: 15 years plus renewal for 10 years
- § Countries covered: Austria, Croatia, Czech Republic, Hungary, Romania, Serbia, Slovakia, Ukraine
- § Terms and conditions to be agreed according to local environment
- § Erste Bank targets strong increase in its penetration of retail clients with insurance products



Creates significant growth potential going forward

Erste Bank – A Perfect Fit

Closing an important gap in life distribution

Erste Bank Strengths

- § Largest retail bank in the CEE region
- § More than 16mn customers and 2,900 branches
- § Present in nearly all existing core markets, home market of 120mn people
- § s Versicherung already integrated in Erste Bank IT systems – easy data handling
- § Existing P&C cooperation

Total Branches: 2,908 Clients (mn): 16.4	Hungary Market share: 6.1% Branches: 197 Clients (mn): 0.8	Ukraine Market share: 0.1% Branches: 71 Clients (mn): 0.1
Czech Republic Market share: 31.9% Branches: 636 Clients (mn): 5.3	Slovakia Market share: 31.3% Branches: 273 Clients (mn): 2.5	Romania Market share: 27.7% Branches: 562 Clients (mn): 4.0
Austria Market share: 19.3% ¹ Branches: 993 Clients (mn): 2.8	Croatia Market share: 12.0% Branches: 115 Clients (mn): 0.7	Serbia Market share: 2.8% Branches: 61 Clients (mn): 0.2

VIG Life Distribution after Closing

	Tied agents	Banks	Brokers	Other
Austria	☹	☹	☹	☹
Czech Republic	☹	☹	☹	☹
Slovakia	☹	☹	☹	☹
Romania	☹	☹	☹	☹
Croatia	☹	☹	☹	☹
Hungary	☹	☹	☹	☹
Serbia	☹	☹	☹	☹
Ukraine	☹	☹	☹	☹

Performance Drivers

VIG and s Versicherung: Growth through shared services

Experience in P&C Bancassurance

- § Similar mindset and corporate culture
- § Existing exemplary P&C cooperation with Erste Bank in Austria and CEE

Ceska sporitelna is the largest external provider of personal lines non-life insurance products for Kooperativa

Kooperativa became the largest external agent for bank products for Ceska sporitelna (CS)

Profitability Drivers

Business Growth

- § Extended product and service offering tailored to the bancassurance distribution channel
- § Exploit cross-selling potential between VIG, s Versicherung and Erste Bank
- § Focus to increase customer penetration with multiple insurance products

Performance

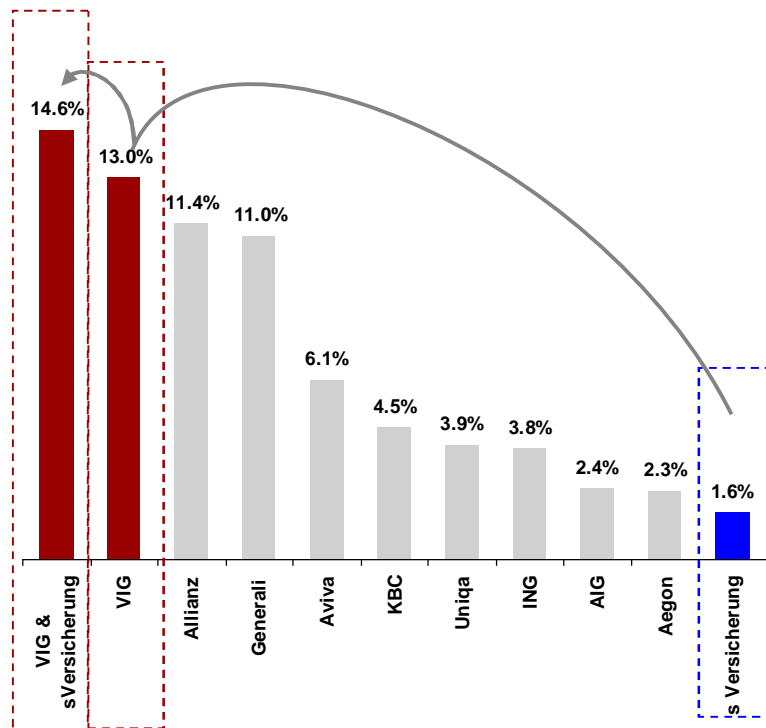
- § Economies of scale to result from strong business growth in CEE
- § Several s Versicherung group companies established only recently; carrying set-up costs
- § VIG's has proven track record of managing bancassurance operations

Efficiency

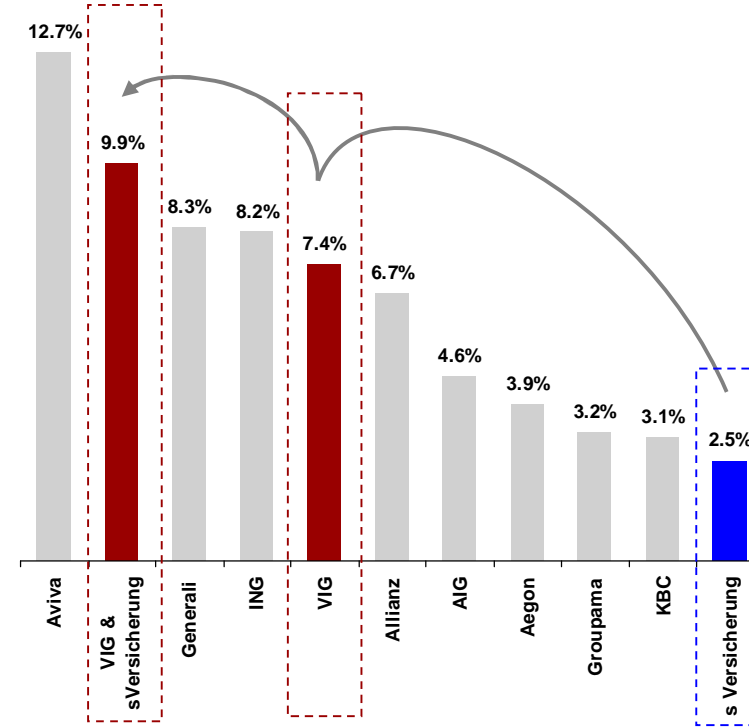
Strengthening No.1 Position in CEE

Taking on leadership in life insurance

Total Market Share in CEE¹



Market Share in CEE¹ Life



Source: National insurance associations of the respective countries as of 3M 2008

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A **VIG on a steady path of growth**

B **Growth potential in CEE and Austria**

C **Exploiting the potential**

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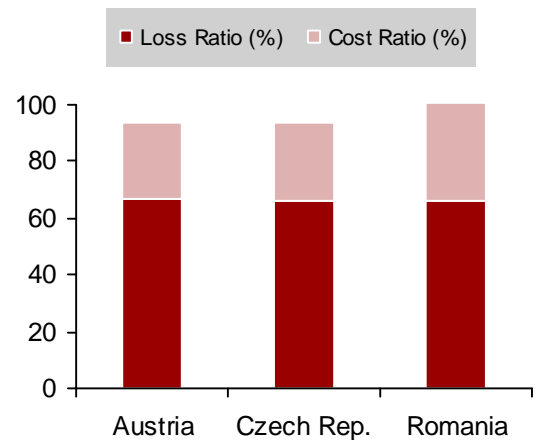
E **Progressing on the path of growth**

F **6M 2008 Results - Highlights**

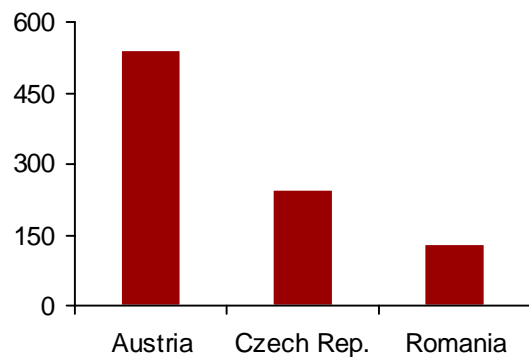
Profit Drivers in CEE

Creating value from cost ratio, investment income and reinsurance

Earnings Potential



Mathematical reserves in % of NEP (%)



Comments

§ Decrease in cost ratio

- economies of scale in less advanced markets
- cost reduction programmes in advanced markets
- shared services

§ Investment income from reserves

- long-term building up of reserves
- long tail products gaining weight (GTPL)
- going forward life business will create major reserves

§ Reinsurance

- increasing risk bearing capacity of growing Group companies
- creation of Group wide reinsurance cover packages (e.g. NatCat)

Financial Targets

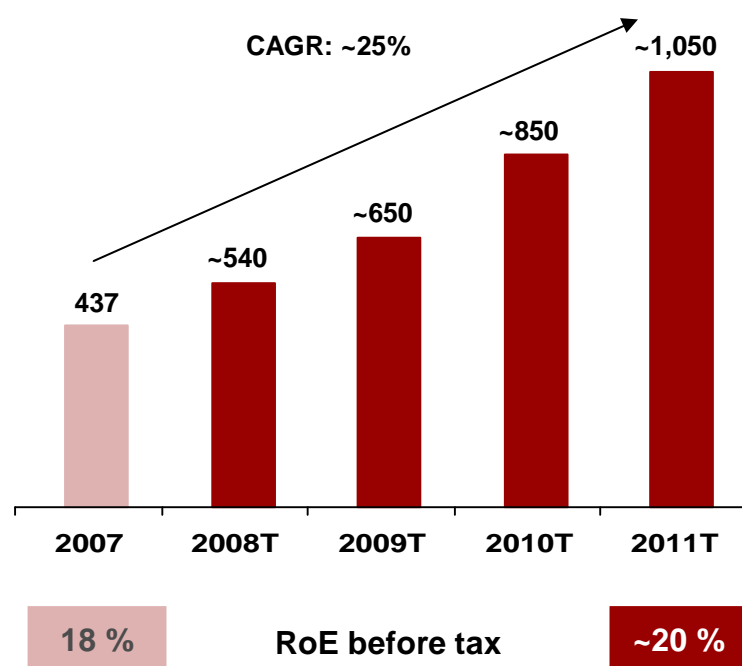
Targets remain in place

VIG's Financial Targets

Comments

Premium Target for 2011: > EUR 12bn

Profit before tax targets in €mn



- § Majority of GWP to come from CEE region by 2011
- § Acquisition of s Versicherung expected to be earnings accretive within the budgeting period

- It is company philosophy to keep the Combined Ratio well below 100% throughout the business cycle
- VIG dividend policy is defined as a payout ratio of min. 30% of Group net profit

VIG - Progressing on the Path of Growth

VIG outperformed own commitments

Undertaking three years ago

- § Expansion of its position in Austria
- § Expansion of CEE business through acquisitions and organic growth
- § Become top 5 insurer in core markets
 - Benefit from multiple growth drivers of GDP, insurance (penetration/density) and wealth composition
- § Improve geographical diversification
- § Increase of profitability

Position Today

- § Increased market share in Austria by more than 3% pts – VIG no. 1
- § CEE premium volume doubled
- § Ongoing expansion
- § Among top 5 insurers in nearly all core markets, top 3 position reached in 6 core markets
- § Share of Other CEE markets (incl. PL & RO) has overtaken Czech Republic and Slovakia, PL third largest market, RO third largest non-life market
- § EPS boosted despite SPO

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6M 2008 Highlights (I)

Guidance for 2008 unchanged

§ Excellent top-line growth, in particular in CEE (also net of acquisitions)

§ For the first time ever, in Q2 share of CEE business more than 50 % of total premiums

§ Combined ratio (net) stable at 95.9%

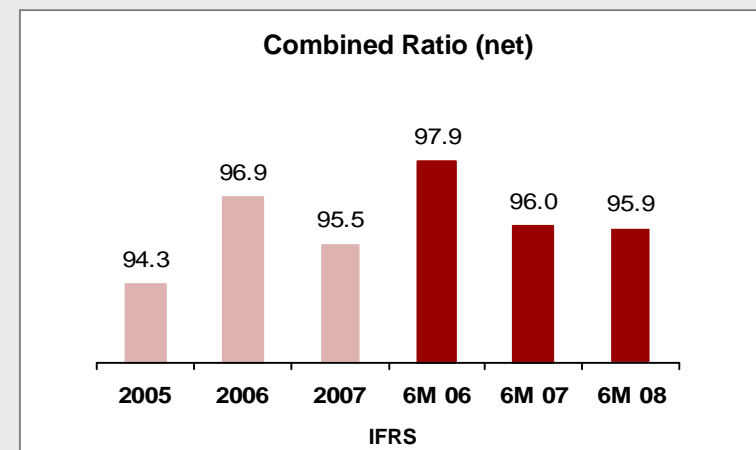
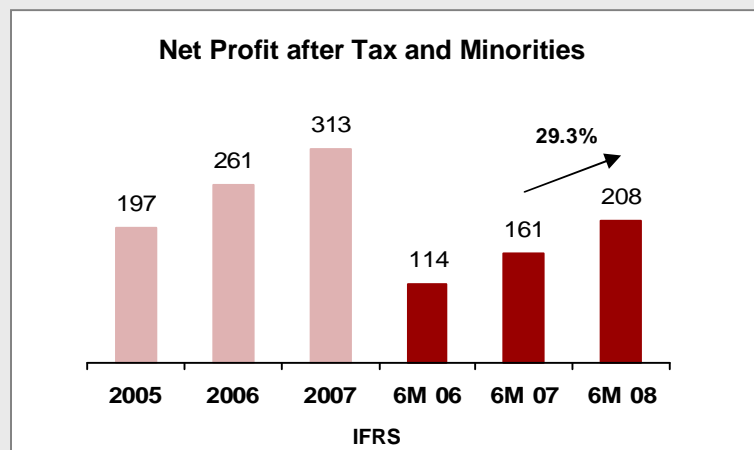
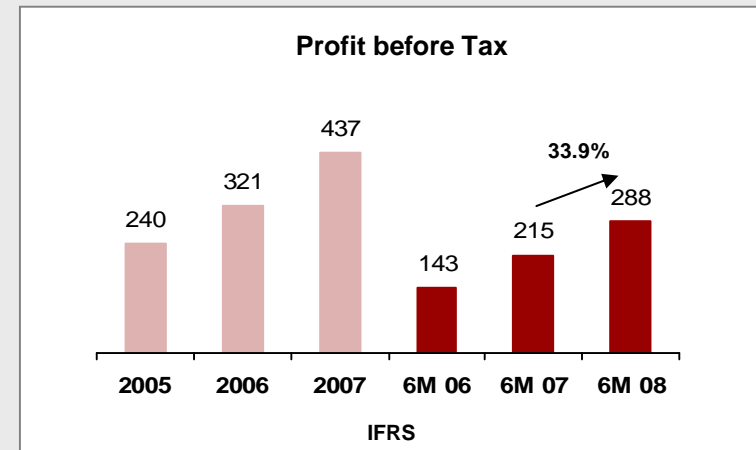
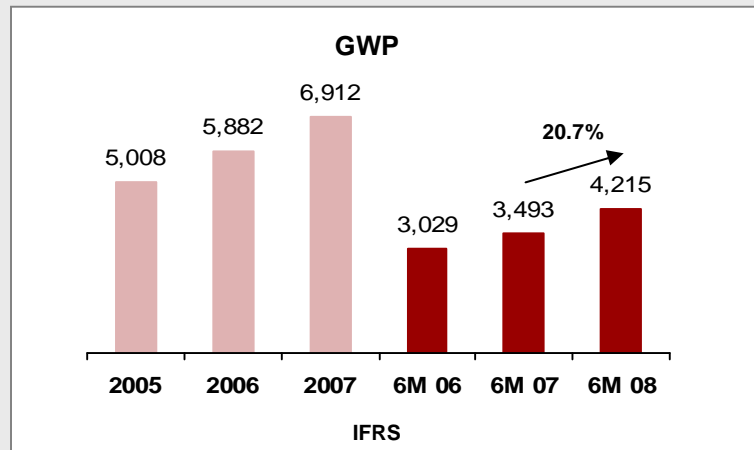
§ Profit before tax growing at faster pace than premiums

§ Half-year PBT development supports EUR 540mn target for full year 2008

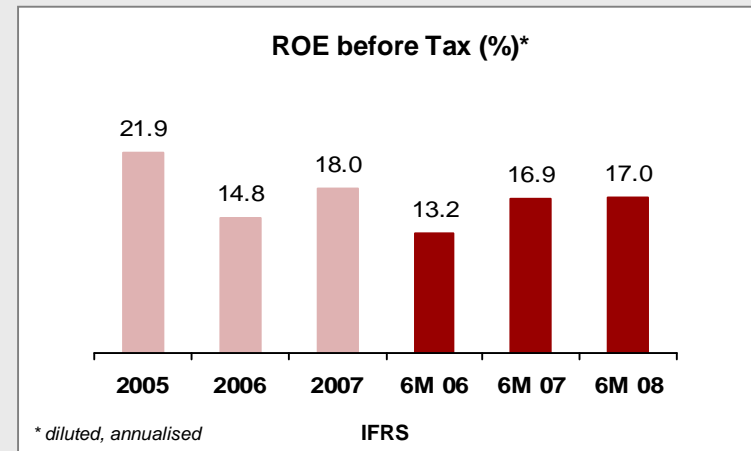
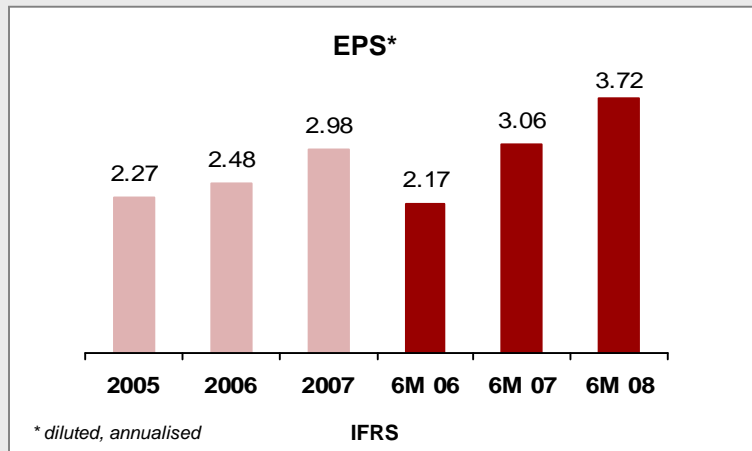
§ Final consolidation of Austrian BACAV and Romanian UNITA

6M 2008 Highlights (II)

VIG defying market trends



6M 2008 Highlights (III)



A

Appendix – 6M 2008 Results

6M 2008 Income Statement

IFRS (€mn)

A 31

	6M 2008	6M 2007	+/-%
1. Gross written premiums	4,215.1	3,493.1	20.7
2. Net earned premiums	3,471.3	2,829.1	22.7
3. Net investment income	618.7	553.2	11.8
4. Other income	30.7	20.7	48.5
Total income	4,120.7	3,403.0	21.1
6. Expenses for claims incurred	-2,912.4	-2,420.6	20.3
7. Operating expenses	-799.9	-677.4	18.1
8. Other expenses	-120.1	-89.6	34.1
Total expenses	-3,832.3	-3,187.6	20.2
Profit before tax	288.3	215.4	33.9
Taxes	-59.5	-41.1	44.5
Net profit before minorities (Profit for the period)	228.9	174.3	31.4
Minorities	-21.1	-13.6	55.2
Net profit after minorites	207.7	160.6	29.3

6M 2008 Balance Sheet

IFRS (€mn)

A 32

	6M 2008	YE 2007	+/- %
Intangible assets	848	525	61.7
Total investments	18,625	20,171	-7.7
Unit- and index-linked investments	2,214	3,066	-27.8
Reinsurers' share in technical provisions	1,088	1,187	-8.3
Receivables	1,976	1,200	64.6
Deferred tax assets	83	34	144.4
Other assets	256	285	-10.2
Cash and cash equivalents	359	278	29.4
Total assets	25,449	26,745	-4.8
Shareholders' equity	4,085	2,616	56.2
<i>thereof minorities</i>	245	277	-11.8
Subordinated liabilities	375	443	-15.2
Technical provisions	15,352	17,092	-10.2
Unit- and index-linked technical provisions	2,134	2,949	-27.6
Non-technical provisions	704	795	-11.4
Liabilities	2,585	2,689	-3.8
Deferred tax liabilities	124	81	53.7
Other liabilities	89	82	8.7
Total liabilities and equity	25,449	26,745	-4.8

6M 2008 P&L Major Items – Gross Written Premiums

Premium growth stronger than in Q1 (€mn)

A 33

§ Group GWP gained 20.7% to €4,215mn (+ 15.4% net of acquisitions)

§ Austria: total GWP up 8.3% to reach €2,120mn. Life up 13.3% at €1,014mn (strong single premiums); P&C up 4.5% at €947.7mn influenced by flat motor market (VIG still growing above market) and shift of premium payments

§ The Czech Republic saw GWP growing by 19.7% to €691.0mn with Life gaining 26.5% to reach €170.5mn and Non-life up 17.7% at €520.5mn

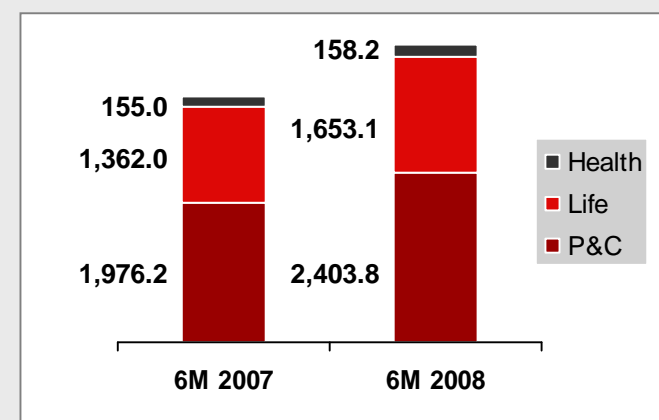
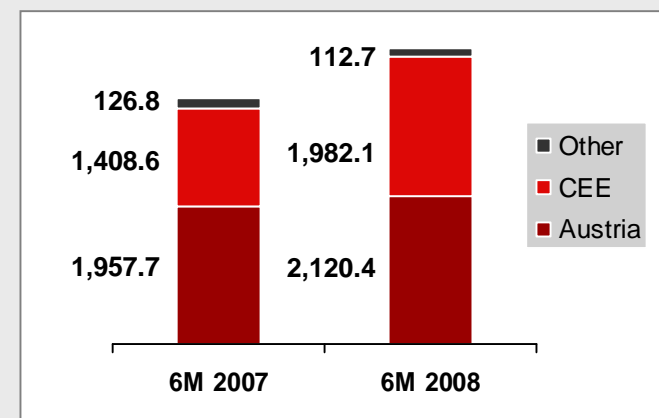
§ In Slovakia business grew by 22.1% to reach €297.5mn, with Life up 47.1% at €122.0mn and P&C up 9.1% at €175.5mn

§ Poland reached €393.9mn in total, up 59.1%, Non-life up 36.7% to €213.5mn, Life up 97.5% to €180.4mn

§ In Romania, VIG attained a premium volume of €360.5mn, an increase of 87.5% (organic growth was 30.3%). Non-life was up 83.6% at €339.5mn and Life up 183.4% at €21.0mn (€13.3mn contribution from Asirom)

§ Substantial increase in Other CEE markets of 61.8% amounting to €239.2mn, with high double digit organic growth

§ Other Markets attained GWP of €112.7mn, weaker by 11.1% due to volatility in single premium business

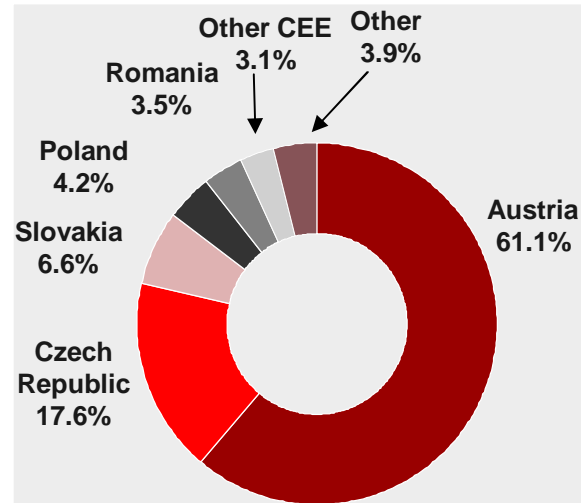


Note: the following companies were not included in HY 2007: Jupiter, Globus, Kniazha (Ukraine), Ray Sigorta (Turkey) and Asirom (Romania); pro rata consolidation of TBIH insurance companies (Bulstrad, Helios) increased from 40% to 60%

Geographical Diversification Enhanced

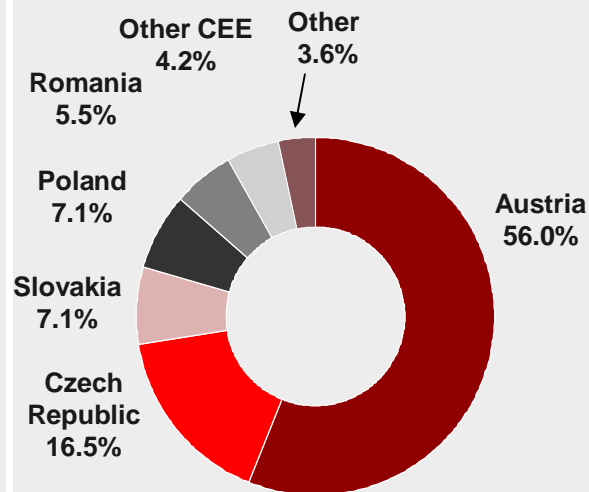
GWP split by region

GWP by Geography 6M 06



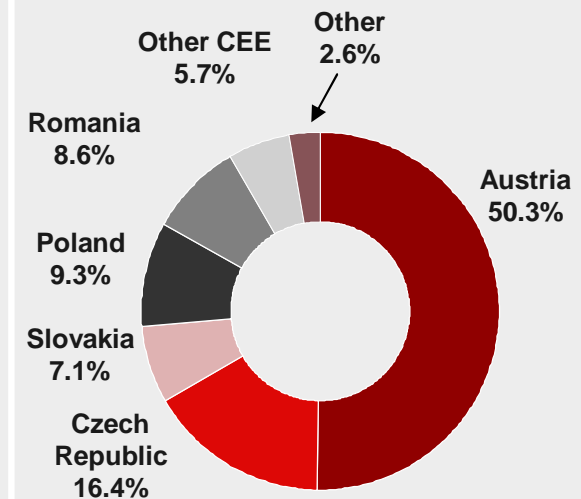
6M 2006 Total: €3.0bn

GWP by Geography 6M 07



6M 2007 Total: €3.5bn

GWP by Geography 6M 08



6M 2008 Total: €4.2bn

- § Poland and Romania have more than doubled their share
- § Other CEE substantially gaining weight
- § Czech Republic and Slovakia stable
- § VIIG steadily improving balance of its portfolio

6M 2008 P&L Major Items – Expenses for Claims Incurred

Loss ratio improving despite one-off effects in RO, SK

A 35

- § Group loss ratio (net) at 63.4% (down from 64.7% in 6M 2007)
- § Austrian loss ratio lower by 3.2% pts at 63.7%, was affected by storms in early 2007
- § Czech Republic saw loss ratio improving by 5.7% pts to 62.4%, was also affected by storms in early 2007
- § In Slovakia loss ratio higher at 56.5% (6M 07: 52.7%) due to increase of reserves for claims from former state monopoly (legal requirement)
- § Poland improving by 8.6% pts to 54.2% due to effective claims and risk management and benign motor pricing
- § Romania saw increase of claims ratio to 75.5% influenced by motor business (in line with market trends) and one-off increase of claims reserve from Unita sales proceeds (7%pts, € 15mn)
- § Other CEE recorded slightly improving ratio of 61.1% (with very moderate claims level in the Ukraine)

EUR mn	P&C	
	6M 2008	6M 2007
Net Earned Premiums:	1,690.1	1,331.9
Expenses for Claims Incurred:	1,072.3	861.5
Ratio	63.4%	64.7%

6M 2008 P&L Major Items – Operating Expenses

Cost ratio slightly up due to acquisition expenses

A 36

- § Group cost ratio (net) increasing by 1.2% to reach 32.5%
- § Impact in Austria is 1.3% with cost ratio at 28.8%
- § Costs in the Czech Republic increased to 30.0% due to new IT roll-out expenses
- § Cost ratio in Slovakia down by 0.9% pts at 37.3% due to stable administrative expenses while business is growing substantially
- § Poland showing higher cost ratio at 42.1% influenced by acquisition costs resulting from fast business growth and Religa tax issue
- § Romania recording decrease to 32.5% thanks to scale effects
- § Cost ratio in Other CEE at 42.0%, down by 2.0% pts due to economies of scale

EUR mn	P&C	
	6M 2008	6M 2007
Net Earned Premiums:	1,690.1	1,331.9
Operating Expenses: ¹	549.1	417.3
Ratio	32.5%	31.3%

¹ incl. Other technical result (Other underwriting income and expenses)

6M 2008 P&L Major Items – Net Investment Income

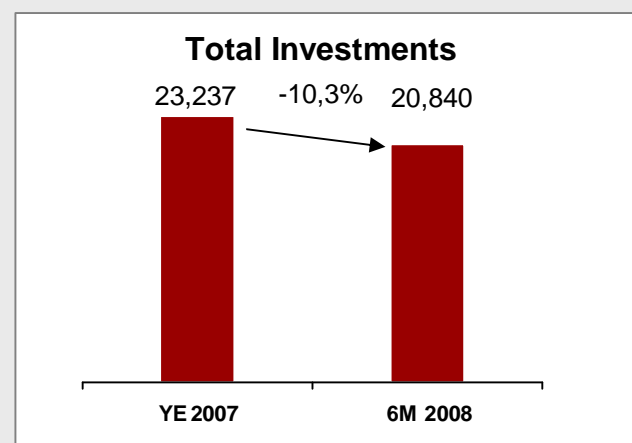
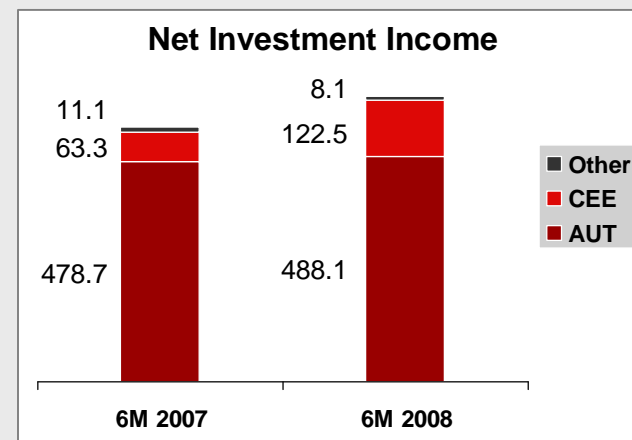
One-off gains balanced by market downturn (€mn)

§ Increase in Group Net Investment Income by 11.8% to €618.7mn influenced mainly by

- one-off gains from sale of BACAV and UNITA
- adverse market conditions (interest rates, spreads, equities)
- higher realised losses mainly in bond portfolio
- lower payout by investment funds

§ Conservative investment policy, e.g. no US-subprime, no monolines or CDOs

	6M 2008	6M 2007
Investment Income	1,033.7	705.8
<i>thereof: Current Income</i>	531.2	419.2
<i>thereof: Investment income from disposal</i>	490.3	260.8
Expenses for investments and interest	-415.0	-152.6
<i>thereof: realised investment losses</i>	-160.7	-28.0
<i>thereof: depreciation of investments</i>	-104.7	-52.9
Total	618.7	553.2



6M 2008 P&L – Business Segments

Property & Casualty, IFRS (€mn)

	6M 2008	6M 2007	+/-%
1. Gross written premiums	2,403.8	1,976.2	21.6
2. Net earned premiums	1,690.1	1,331.9	26.9
3. Net investment income	154.2	93.3	65.3
4. Other income	19.2	11.9	60.9
Total income	1,863.5	1,437.2	29.7
6. Expenses for claims incurred	-1,072.3	-861.5	24.5
7. Operating expenses	-494.7	-377.3	31.1
8. Other expenses	-88.8	-64.3	38.2
Total expenses	-1,655.7	-1,303.1	27.1
Profit before tax	207.8	134.1	55.0

6M 2008 P&L – Business Segments

Life, IFRS (€mn)

A 39

	6M 2008	6M 2007	+/-%
1. Gross written premiums	1,653.1	1,362.0	21.4
2. Net earned premiums	1,625.5	1,344.3	20.9
3. Net investment income	458.3	445.8	2.8
4. Other income	11.5	8.7	31.5
Total income	2,095.2	1,798.8	16.5
6. Life benefits	-1,701.0	-1,423.9	19.5
7. Operating expenses	-284.7	-279.6	1.8
8. Other expenses	-30.9	-24.7	24.9
Total expenses	-2,016.5	-1,728.2	16.7
Profit before tax	78.7	70.7	11.4

6M 2008 P&L – Business Segments

Health, IFRS (€mn)

A 40

	6M 2008	6M 2007	+/-%
1. Gross written premiums	158.2	155.0	2.1
2. Net earned premiums	155.7	152.9	1.8
3. Net investment income	6.2	14.1	-56.0
4. Other income	0.0	0.0	0.0
Total income	161.9	166.9	-3.0
6. Expenses for claims incurred	-139.1	-135.3	2.9
7. Operating expenses	-20.6	-20.5	0.5
8. Other expenses	-0.4	-0.6	-31.8
Total expenses	-160.1	-156.3	2.4
Profit before tax	1.8	10.7	-83.0

6M 2008 P&L - Split by Regions (I)

Regional segments, IFRS (€mn)

A 41

	Austria			Czech Republic		
	6M 2008	6M 2007	+/-%	6M 2008	6M 2007	+/-%
1. Gross written premiums	2,120.4	1,957.7	8.3	691.0	577.1	19.7
2. Net earned premiums	1,757.8	1,611.2	9.1	542.0	445.8	21.6
3. Net investment income	488.1	478.7	2.0	23.4	21.6	8.2
4. Other income	5.0	4.4	14.1	6.6	5.5	18.9
Total income	2,250.9	2,094.4	7.5	571.9	472.9	20.9
6. Expenses for claims incurred	-1,745.6	-1,617.8	7.9	-353.9	-310.4	14.0
7. Operating expenses	-316.1	-308.4	2.5	-142.8	-108.5	31.6
8. Other expenses	-34.7	-29.6	17.2	-28.8	-18.6	54.5
Total expenses	-2,096.4	-1,955.8	7.2	-525.6	-437.6	20.1
Profit before tax	154.5	138.5	11.5	46.3	35.3	31.2
Combined Ratio	92.4%	94.3%		92.4%	95.4%	

6M 2008 P&L - Split by Regions (II)

Regional segments, IFRS (€mn)

	Slovakia			Poland			Romania		
	6M 2008	6M 2007	+/-%	6M 2008	6M 2007	+/-%	6M 2008	6M 2007	+/-%
1. Gross written premiums	297.5	243.8	22.1	393.9	247.6	59.1	360.5	192.3	87.5
2. Net earned premiums	245.7	189.9	29.4	361.4	216.3	67.1	289.6	139.6	>100
3. Net investment income	9.9	12.2	-18.9	6.4	12.1	-47.3	76.0	5.9	>100
4. Other income	1.4	1.2	17.2	3.7	1.8	>100	9.3	2.2	>100
Total income	257.0	203.3	26.4	371.5	230.2	61.4	374.9	147.7	>100
6. Expenses for claims incurred	-170.8	-126.8	34.7	-225.8	-108.0	>100	-229.0	-83.3	>100
7. Operating expenses	-48.8	-40.9	19.4	-120.7	-105.9	14.0	-93.9	-57.1	64.4
8. Other expenses	-21.5	-18.0	19.3	-10.8	-7.5	44.5	-7.5	-3.1	>100
Total expenses	-241.1	-185.7	29.9	-357.4	-221.5	61.4	-330.3	-143.5	>100
Profit before tax	15.9	17.6	-10.1	14.1	8.7	61.6	44.6	4.2	>100
Combined Ratio	93.8%	90.8%		96.3%	101.8%		107.9%	100.1%	

6M 2008 P&L - Split by Regions (III)

Regional segments, IFRS (€mn)

	Other CEE			Other			TOTAL		
	6M 2008	6M 2007	+/-%	6M 2008	6M 2007	+/-%	6M 2008	6M 2007	+/-%
1. Gross written premiums	239.2	147.8	61.8	112.7	126.8	-11.1	4,215.1	3,493.1	20.7
2. Net earned premiums	178.5	114.3	56.2	96.4	112.0	-13.9	3,471.3	2,829.1	22.7
3. Net investment income	6.9	11.5	-40.0	8.1	11.1	-27.4	618.7	553.2	11.8
4. Other income	3.3	3.0	8.5	1.4	2.6	-44.9	30.7	20.7	48.5
Total income	188.7	128.8	46.5	105.9	125.7	-15.8	4,120.7	3,403.0	21.1
6. Expenses for claims incurred	-113.7	-77.0	47.6	-73.5	-97.2	-24.4	-2,912.4	-2,420.6	20.3
7. Operating expenses	-65.8	-43.2	52.3	-11.7	-13.3	-11.8	-799.9	-677.4	18.1
8. Other expenses	-4.9	-4.1	19.1	-11.9	-8.6	37.6	-120.1	-89.6	34.1
Total expenses	-184.4	-124.3	48.3	-97.2	-119.2	-18.5	-3,832.3	-3,187.6	20.2
Profit before tax	4.3	4.5	-3.6	8.7	6.5	33.3	288.3	215.4	33.9
Combined Ratio	103.2%	106.3%		78.7%	88.6%		95.9%	96.0%	

6M 2008 Results by Country

IFRS (€mn)

	Non-Life		Life		Total		Profit before Tax		Combined Ratio	
	6M 2008	6M 2007	6M 2008	6M 2007	6M 2008	6M 2007	6M 2008	6M 2007	6M 2008	6M 2007
Austria	1,105.9	1,062.0	1,014.4	895.7	2,120.4	1,957.7	154.5	138.5	92.4%	94.3%
Czech Rep.	520.5	442.3	170.5	134.8	691.0	577.1	46.3	35.3	92.4%	95.4%
Slovakia	175.5	160.8	122.0	82.9	297.5	243.8	15.9	17.6	93.8%	90.8%
Poland	213.5	156.2	180.4	91.3	393.9	247.6	14.1	8.7	96.3%	101.8%
Romania	339.5	184.9	21.0	7.4	360.5	192.3	44.6	4.2	107.9%	100.1%
Other CEE	171.5	91.2	67.7	56.6	239.2	147.8	4.3	4.5	103.2%	106.3%
Hungary	21.8	21.5	31.9	24.7	53.7	46.2	1.7	1.7	105.1%	107.4%
Croatia	25.5	23.1	20.9	19.0	46.3	42.0	1.4	1.4	109.1%	112.1%
Serbia	16.6	12.2	9.6	9.5	26.2	21.7	0.2	1.2	94.3%	99.0%
Bulgaria	49.6	34.5	4.7	3.4	54.2	37.9	0.1	0.2	100.7%	103.4%
Ukraine	19.9	-	0.6	-	20.5	-	0.0	-	103.0%	-
Turkey	38.2	-	-	-	38.2	-	0.9	-	103.2%	-
Other	35.6	33.7	77.1	93.1	112.7	126.8	8.7	6.5	78.7%	88.6%
Liechtenstein	-	-	50.6	66.8	50.6	66.8	1.2	0.6	-	-
Germany	35.6	33.7	26.5	26.3	62.1	60.0	7.5	6.0	78.7%	88.6%
Total	2,562.0	2,131.2	1,653.1	1,362.0	4,215.1	3,493.1	288.3	215.4	95.9%	96.0%

Change in Group Shareholders' Equity

IFRS

A 45

	1.1. - 30.06.2008	1.1. - 30.06.2007
Equity as of 1 January	2,615,563	2,283,208
Currency Changes	55,336	-1,957
Changes to consolidation	39,270	39,396
Capital Increase	1,343,078	-
Unrealised Gains and Losses on financial instruments available for sale	-76,857	-69,667
Profit for the period	228,882	174,251
Dividend payment	-120,324	-101,698
Equity as of 30 June	4,084,948	2,323,533

Life Insurance Premium Split

IFRS (€mn)

A 46

Premiums written - direct business	6M 2008	6M 2007	+/- %
Regular premiums	926.9	880.5	5.3%
Single premiums	723.7	480.3	50.7%
Total premiums written - direct business	1,650.6	1,360.8	21.3%
thereof:			
Policies with profit participation	936.9	783.4	19.6%
Policies without profit participation	170.2	208.2	-18.2%
unit- and index-linked life insurance	543.4	369.2	47.2%
thereof:			
Individual insurance	1,413.7	1,211.1	16.7%
Group insurance	236.8	149.8	58.1%

Q2 2008 Income Statement

IFRS (€mn)

A 47

	Q2 2008	Q2 2007	+/-%
1. Gross written premiums	1,903.9	1,474.8	29.1
2. Net earned premiums	1,734.5	1,364.8	27.1
3. Net investment income	443.1	347.9	27.4
4. Other income	13.2	11.8	12.1
Total income	2,190.8	1,724.4	27.0
6. Expenses for claims incurred	-1,553.2	-1,235.8	25.7
7. Operating expenses	-408.3	-329.7	23.8
8. Other expenses	-65.8	-44.2	48.9
Total expenses	-2,027.3	-1,609.7	25.9
Profit before tax	163.5	114.7	42.6
Taxes	-33.5	-22.6	48.2
Net profit before minorities (Profit for the year)	130.0	92.1	41.2
Minorities	-13.7	-7.4	84.3
Net profit after minorites	116.3	84.6	37.4

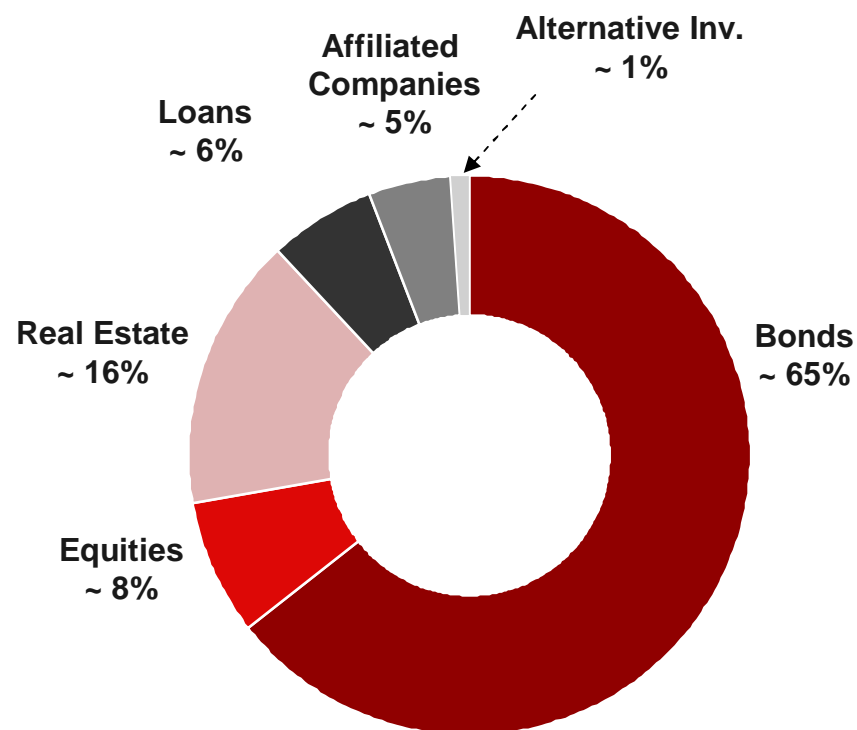
6M 2008 Investment Split

Prudent investment policy paying off

Investment policy

- § VIG follows a conservative investment policy throughout market cycles
- § VIG has no US-subprime investments
- § VIG has no investments in monolines or CDOs
- § Total exposure to the structured credit market is less than 0.5% of total investments

Portfolio Overview



6M 2008 Total: EUR 18,625mn

Embedded Value (I)

Group Embedded Value - Dec 31, 2007

in €mn

	Life & Health	Property & Casualty	Total
Austria/Germany			
ANAV	735,4	617,5	1.352,9
VIF	1.384,5	n/a	1.384,5
- FOG	-31,6	n/a	-31,6
- CoCNMR	-75,7	n/a	-75,7
	2.012,6	617,5	2.630,1
CEE			
ANAV	148,2	1.374,2	1.522,4
VIF	429,1	n/a	429,1
- FOG	-17,5	n/a	-17,5
- CoCNMR	-13,1	n/a	-13,1
	546,7	1.374,2	1.920,9
Total	2.559,3	1.991,7	4.551,0

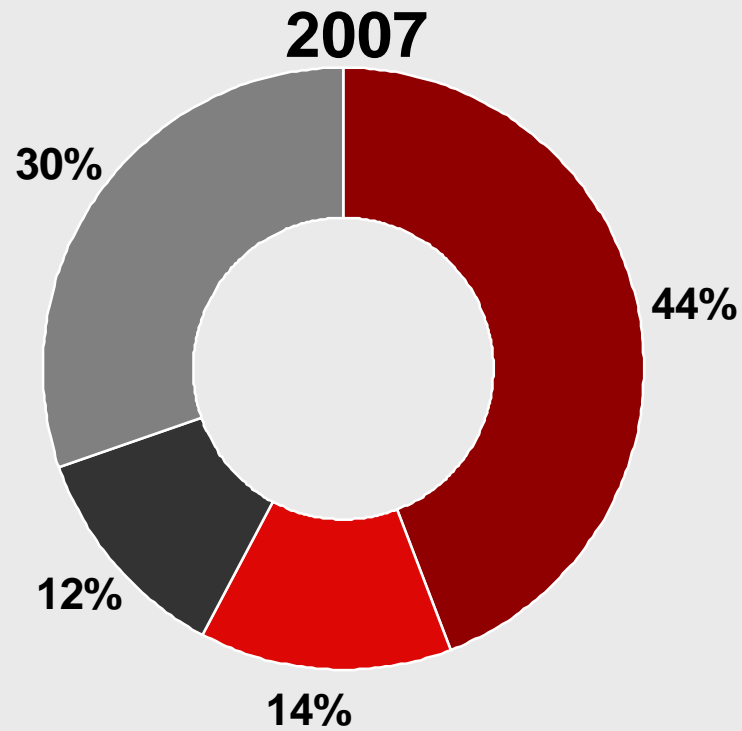
COMPENSA-LIFE and COMPENSA in Poland included for the first time

GEV for CEE is shown as a combination of EEV and TEV

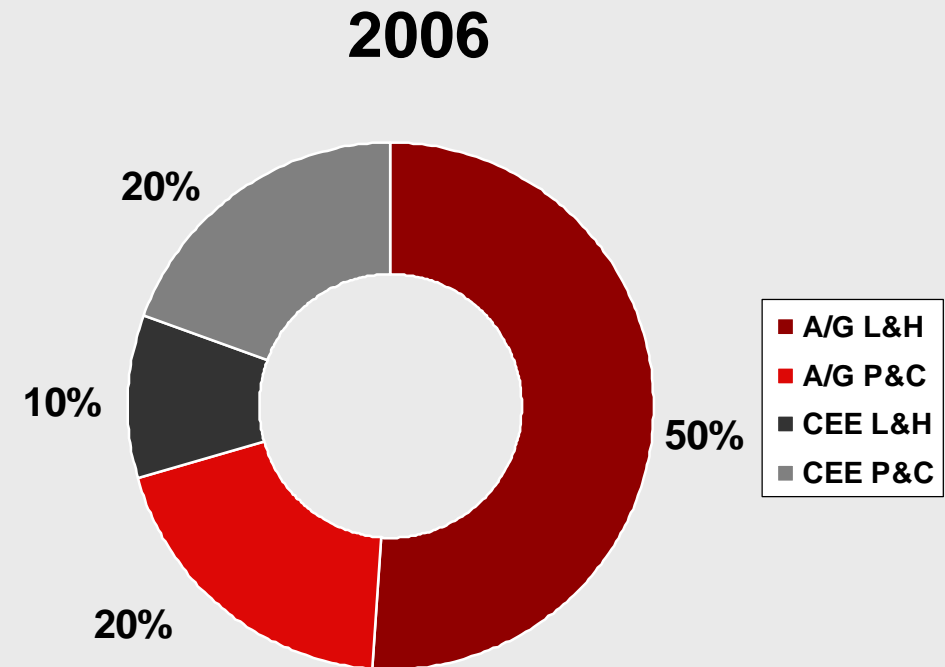
The Group does not defer acquisition costs under IFRS unless it is common practice under local GAAP; liabilities under IFRS set equal to the local statutory liabilities; conservative valuation of some assets

Embedded Value (II)

Group Embedded Value - Dec 31, 2007



GEV = €4,551.0mn



GEV = €4,258.8mn¹

¹ restated

Embedded Value (III)

New Business Values

in € mn

	Life & Health		
	2007	2006	+ / - %
Austria / Germany			
NBV	63,1	50,9	+ 24,0%
APE	205,1	225,1	
<i>APE-Ratio</i>	30,7%	22,6%	
PVNBP	1.906,3	1.982,6	
<i>PVNBP-Ratio</i>	3,3%	2,6%	
CEE			
NBV	45,0	30,7	+ 46,6%
APE	71,0	45,4	
<i>APE-Ratio</i>	63,3%	67,5%	
PVNBP	409,7	262,4	
<i>PVNBP-Ratio</i>	11,0%	11,7%	
NBV-Total	108,1	81,6	+ 32,5%
APE-Total	276,1	270,5	
<i>APE-Ratio Total</i>	39,1%	30,9%	
PVNBP-Total	2.316,0	2.245,0	
<i>PVNBP-Ratio Total</i>	4,7%	3,6%	

6M 2008 Exchange Rates

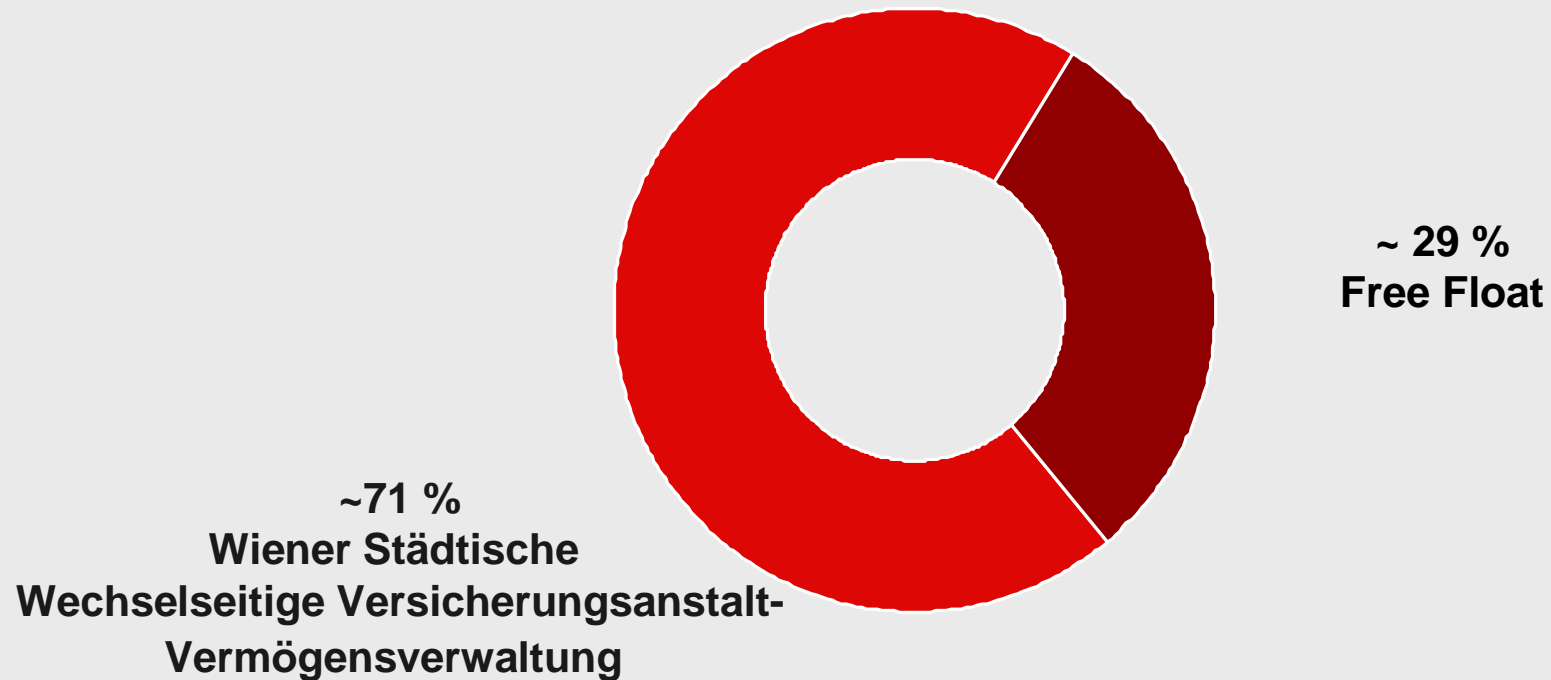
National currency unit per EUR

6M 2008				6M 2007	
Country	Curr.	Balance Sheet EUR	P & L EUR	Balance Sheet EUR	P & L EUR
Bulgaria	EUR/BGN	1.9558	1.9558	1.9558	1.9558
Croatia	EUR/HRK	7.2365	7.2556	7.3035	7.3576
Liechtenstein	EUR/CHF	1.6056	1.6114	1.6553	1.6318
Poland	EUR/PLN	3.3513	3.4070	3.7677	3.8441
Romania	EUR/RON	3.6415	3.6521	3.1340	3.3309
Serbia	EUR/CSD	78.9784	81.6813	79.0264	80.2504
Slovakia	EUR/SKK	30.2050	31.4028	33.6349	34.0530
Czech Republik	EUR/CZK	23.8930	24.8304	28.7183	28.1524
Hungary	EUR/HUF	235.4300	248.0447	246.1236	250.3756
Turkey	EUR/TRY	1.9323	1.9717		
Ukraine	EUR/UAH	7.6361	7.6895		

Shareholder Structure (I)

Total number of shares 128,000,000

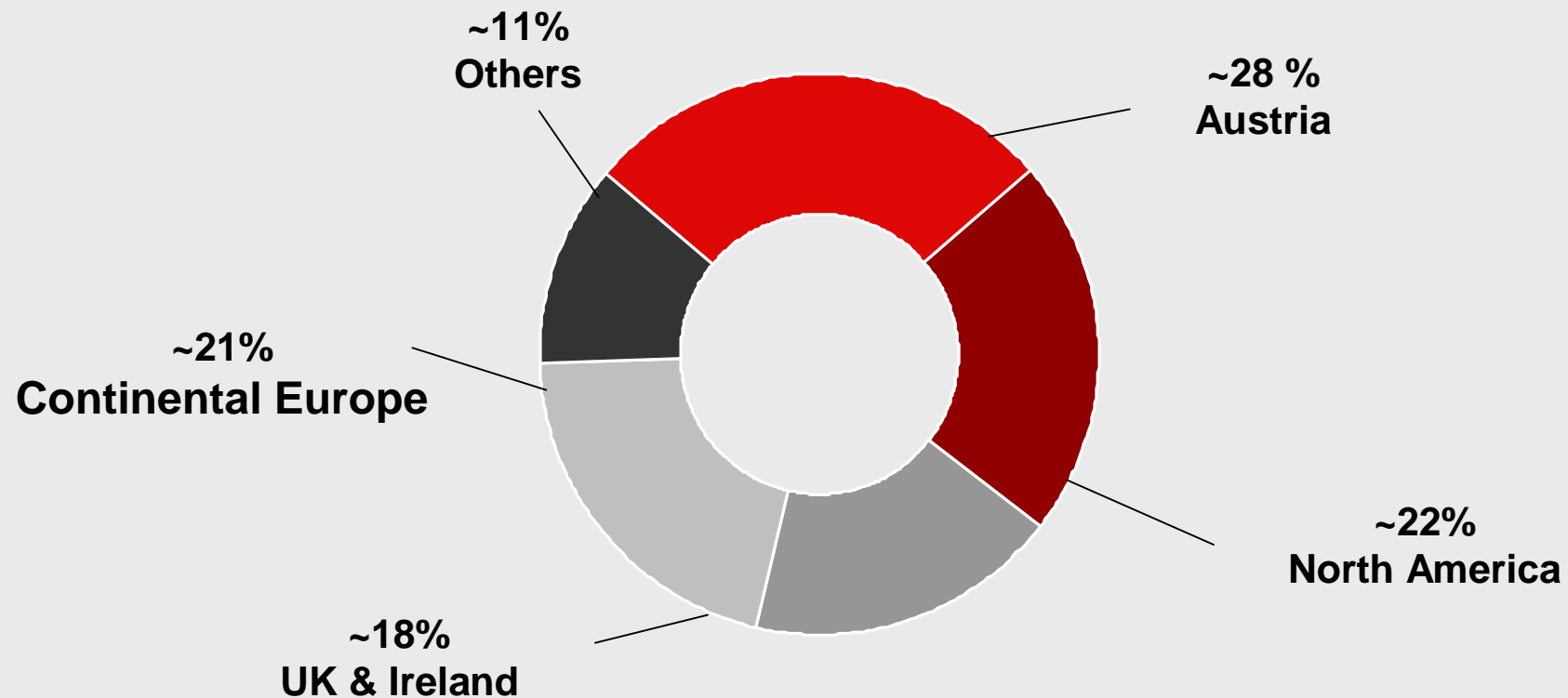
Shareholder Structure



Shareholder Structure (II)

Total number of shares 128,000,000

Free Float Geographical Split



Contact Details

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Schottenring 30, 1010 Vienna, Austria

www.viennainsurancegroup.com

Stock exchange listing:	VIENNA / PRAGUE
Ticker symbol:	VIG / VIG
Reuters:	VIGR.VI / VIGR.PR
Bloomberg:	VIG AV / VIG CP

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